

1 HOUSE BILL NO. 43

2 INTRODUCED BY L. HOLDEN

3 BY REQUEST OF THE DEPARTMENT OF COMMERCE AND OFFICE OF BUDGET AND PROGRAM
4 PLANNING
56 A BILL FOR AN ACT ENTITLED: "AN ACT STATUTORILY APPROPRIATING \$250,000 EACH BIENNIUM
7 FROM THE TREASURE STATE ENDOWMENT SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF
8 COMMERCE TO BE USED FOR EMERGENCY GRANTS TO LOCAL GOVERNMENTS FOR INFRASTRUCTURE
9 PROJECTS THAT ARE REQUIRED TO REMEDY THREATS TO THE PUBLIC HEALTH OR SAFETY;
10 AMENDING SECTIONS 17-7-502 AND 90-6-710, MCA; AND PROVIDING AN EFFECTIVE DATE."11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:13
14 **Section 1.** Section 17-7-502, MCA, is amended to read:15 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
16 appropriation is an appropriation made by permanent law that authorizes spending by a state agency
17 without the need for a biennial legislative appropriation or budget amendment.18 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply
19 with both of the following provisions:

20 (a) The law containing the statutory authority must be listed in subsection (3).

21 (b) The law or portion of the law making a statutory appropriation must specifically state that a
22 statutory appropriation is made as provided in this section.23 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 3-5-901;
24 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706; 15-31-702;
25 15-34-115; 15-35-108; 15-36-324; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404;
26 16-1-406; 16-1-411; 17-3-106; 17-3-212; 17-3-222; 17-6-101; 17-7-304; 18-11-112; 19-3-319;
27 19-6-709; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107;
28 20-26-1503; 22-3-1004; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301;
29 23-7-402; 37-43-204; 37-51-501; 39-71-503; 42-2-105; 44-12-206; 44-13-102; 50-4-623; 53-6-703;
30 53-24-206; 67-3-205; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-1-505; 80-2-222; 80-4-416;

1 80-11-518; 81-5-111; 82-11-161; 87-1-513; 90-3-1003; 90-6-710(1); 90-6-710(2); and 90-9-306.

2 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
3 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
4 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
5 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as
6 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the
7 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to
8 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for
9 supplemental benefit; pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1,
10 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of
11 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability
12 is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1,
13 2014; and pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, the inclusion of 15-35-108 and 90-6-710(2)
14 terminates June 30, 2005.)"

15

16 **Section 2.** Section 90-6-710, MCA, is amended to read:

17 **"90-6-710. (Temporary) Priorities for projects -- procedure -- rulemaking.** (1) The department of
18 commerce must receive proposals for projects from local governments as defined in 90-6-701(3)(b). The
19 department shall work with a local government in preparing cost estimates for a project. In reviewing
20 project proposals, the department may consult with other state agencies with expertise pertinent to the
21 proposal. The department shall prepare and submit a list containing the recommended projects and the
22 recommended form and amount of financial assistance for each project to the governor, prioritized
23 pursuant to subsection (2). The governor shall review the projects recommended by the department and
24 shall submit a list of recommended projects and the recommended financial assistance to the legislature.

25 (2) In preparing recommendations under subsection (1), preference must be given to infrastructure
26 projects based on the following order of priority:

27 (a) projects that solve urgent and serious public health or safety problems or that enable local
28 governments to meet state or federal health or safety standards;

29 (b) projects that reflect greater need for financial assistance than other projects;

30 (c) projects that incorporate appropriate, cost-effective technical design and that provide thorough,

1 long-term solutions to community public facility needs;

2 (d) projects that reflect substantial past efforts to ensure sound, effective, long-term planning and
3 management of public facilities and that attempt to resolve the infrastructure problem with local resources;

4 (e) projects that enable local governments to obtain funds from sources other than the funds
5 provided under this part;

6 (f) projects that provide long-term, full-time job opportunities for Montanans, that provide public
7 facilities necessary for the expansion of a business that has a high potential for financial success, or that
8 maintain the tax base or that encourage expansion of the tax base; and

9 (g) projects that are high local priorities and have strong community support.

10 (3) After the review required by subsection (1), the projects must be approved by the legislature.

11 (4) The department shall adopt rules necessary to implement the treasure state endowment
12 program.

13 **90-6-710. (Effective July 1, 2001) Priorities for infrastructure projects -- procedure -- rulemaking.**

14 (1) The amount of \$250,000 is statutorily appropriated, as provided in 17-7-502, to the department of
15 commerce for each biennium from the treasure state endowment special revenue account for the purpose
16 of providing local governments with emergency grants for infrastructure projects. The projects eligible for
17 emergency grants must be necessary to remedy conditions that if allowed to continue until legislative
18 approval could be obtained would endanger the public health or safety and expose the applicant to
19 substantial financial risk. The department may not make an emergency grant if it determines that through
20 the implementation of reasonable management practices, the applicant can forestall the risks to health or
21 safety until legislative approval can be obtained. The department shall inform the governor and the
22 legislative finance committee of emergency grants that are awarded during each biennium.

23 ~~(1)(2)~~ The amount of \$425,000 is statutorily appropriated, as provided in 17-7-502, to the
24 department of commerce for each biennium for the period beginning July 1, 2001, and ending June 30,
25 2005, from the treasure state endowment special revenue account for the purpose of providing
26 ~~communities~~ local governments with grants for preliminary engineering work for infrastructure projects
27 ~~provided for in subsection (3).~~ The department shall inform the governor and the legislative finance
28 committee of emergency grants that are awarded during each biennium for preliminary engineering work.

29 ~~(2)(3)~~ The department of commerce ~~must receive~~ shall accept proposals for infrastructure projects
30 from local governments ~~as defined in 90-6-701(3)(b).~~ The department shall work with a local government

1 in preparing cost estimates for ~~a~~ an infrastructure project. In reviewing infrastructure project proposals,
2 the department may consult with other state agencies with expertise pertinent to the proposal. The
3 department shall prepare and submit a list containing the recommended infrastructure projects and the
4 recommended form and amount of financial assistance for each infrastructure project to the governor,
5 prioritized pursuant to subsection ~~(3)~~ (4). The governor shall review the infrastructure projects
6 recommended by the department and shall submit a list of recommended infrastructure projects and the
7 recommended financial assistance to the legislature.

8 ~~(3)~~(4) In preparing recommendations under subsection ~~(2)~~ (3), preference must be given to
9 infrastructure projects based on the following order of priority:

10 (a) infrastructure projects that solve urgent and serious public health or safety problems or that
11 enable local governments to meet state or federal health or safety standards;

12 (b) infrastructure projects that reflect a greater need for financial assistance than other
13 infrastructure projects;

14 (c) infrastructure projects that incorporate appropriate, cost-effective technical design and that
15 provide thorough, long-term solutions to ~~community~~ local government public facility needs;

16 (d) infrastructure projects that reflect substantial past efforts to ensure sound, effective, long-term
17 planning and management of public facilities and that attempt to resolve the infrastructure problem with
18 local resources;

19 (e) infrastructure projects that enable local governments to obtain funds from sources other than
20 the funds provided under this part;

21 (f) infrastructure projects that provide long-term, full-time job opportunities for Montanans, that
22 provide public facilities necessary for the expansion of a business that has a high potential for financial
23 success, or that maintain the tax base or ~~that~~ encourage expansion of the tax base; and

24 (g) infrastructure projects that are high local priorities and have strong community support.

25 ~~(4)~~(5) After the review required by subsection ~~(2)~~ (3), the projects must be approved by the
26 legislature.

27 ~~(5)~~(6) The department shall adopt rules necessary to implement the treasure state endowment
28 program. (Terminates June 30, 2005--sec. 10(2), Ch. 10, Sp. L. May 2000.)

29 **90-6-710. (Effective July 1, 2005) Priorities for infrastructure projects -- procedure -- rulemaking.**

30 (1) The amount of \$250,000 is statutorily appropriated, as provided in 17-7-502, to the department of

commerce for each biennium from the treasure state endowment special revenue account for the purpose of providing local governments with emergency grants for infrastructure projects. The projects eligible for emergency grants must be necessary to remedy conditions that if allowed to continue until legislative approval could be obtained would endanger the public health or safety and expose the applicant to substantial financial risk. The department may not make an emergency grant if it determines that through the implementation of reasonable management practices, the applicant can forestall the risks to health or safety until legislative approval can be obtained. The department may not make an emergency grant to remedy a situation that has resulted from the intentional conduct or gross negligence of the applicant. The department shall inform the governor and the legislative finance committee of emergency grants that are awarded during each biennium.

~~(1)(2)~~ The department of commerce ~~must receive~~ shall accept proposals for infrastructure projects from local governments ~~as defined in 90-6-701(3)(b)~~. The department shall work with a local government in preparing cost estimates for ~~a~~ an infrastructure project. In reviewing infrastructure project proposals, the department may consult with other state agencies with expertise pertinent to the proposal. The department shall prepare and submit a list containing the recommended infrastructure projects and the recommended form and amount of financial assistance for each infrastructure project to the governor, prioritized pursuant to subsection ~~(2)~~ (3). The governor shall review the infrastructure projects recommended by the department and shall submit a list of recommended infrastructure projects and the recommended financial assistance to the legislature.

~~(2)(3)~~ In preparing recommendations under subsection ~~(1)~~ (2), preference must be given to infrastructure projects based on the following order of priority:

(a) infrastructure projects that solve urgent and serious public health or safety problems or that enable local governments to meet state or federal health or safety standards;

(b) infrastructure projects that reflect a greater need for financial assistance than other infrastructure projects;

(c) infrastructure projects that incorporate appropriate, cost-effective technical design and that provide thorough, long-term solutions to ~~community~~ local government public facility needs;

(d) infrastructure projects that reflect substantial past efforts to ensure sound, effective, long-term planning and management of public facilities and that attempt to resolve the infrastructure problem with local resources;

(e) infrastructure projects that enable local governments to obtain funds from sources other than the funds provided under this part;

(f) infrastructure projects that provide long-term, full-time job opportunities for Montanans, that provide public facilities necessary for the expansion of a business that has a high potential for financial success, or that maintain the tax base or ~~that~~ encourage expansion of the tax base; and

(g) infrastructure projects that are high local priorities and have strong community support.

~~(3)~~(4) After the review required by subsection ~~(1)~~ (2), the infrastructure projects must be approved by the legislature.

~~(4)~~(5) The department shall adopt rules necessary to implement the treasure state endowment program."

NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 2001.

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